



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

November 14, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 4739

Aaron D. Franek
Twin Mountain Rock Company
1000 Kiewit Plaza
Omaha, Nebraska 68131

Re: Five-Year Review of Reclamation Surety Estimate, Twin Mountain Rock Company,
Milford Quarry, M/001/036, Beaver County, Utah

Dear Mr. Franek:

Thank you for providing the requested information regarding the five-year review status of your Milford Quarry, located in Beaver County, Utah. The last surety estimate for this mine was \$950,000 in 2002 dollars. As the result of an amendment submitted in 2000, the surety amount was increased to \$977,500. Upon review of the information furnished by Twin Mountain Rock Company and the information contained in the Division's files, we find we only need to escalate the present surety for a five-year period. This is based upon the fact that there had been no other changes at the site since the last reclamation cost summary.

The surety for the Milford Quarry escalated to the year 2007 is \$1,200,900. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than January 13, 2003.

You may provide a rider to the existing surety and no other paperwork will be necessary. However, if you choose to post another form of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms or you may access the current forms on the internet at www.nr.utah.gov. If you post another form of surety, we will require that you also replace the Reclamation Contract, which is also located on the web. Please fax a "draft" copy of the documents so we can review them for completeness and accuracy before they are finalized.

Page 2
Aaron Franek
M/001/036
November 14, 2002

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,



for D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment: Surety estimate update
cc: Ed Ginouves, BLM, Cedar City FO
Doug Jensen, DOGM
O:\M001-Beaver\M010036-Milford Quarry\Final\bondescal.doc

SURETY ESTIMATE UPDATE

14-Nov-02

Twin Mountain Rock Company

Milford Quarry

FILE # M/001/036

Beaver County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

3/12/97

DESCRIPTION:

-This update adjusts the surety amount for escalation only.

-Previous reclamation surety estimate was \$1,140,000 in year 2002 dollars - The bond amount increased in 8/02/00 by an additional \$23,578 in 2000 as the result of a 5.8 acre amendment to the plan.

-Reclamation Estimate base amount calculated in 1997-\$

-This summary is based on the reclamation estimate of 2/19/97 provided by Twin Mountain Rock Co.

-The BLM holds bond # ~~0000000000~~ in the amount of \$256,000 for mineral materials sale UTU-73390

-The BLM will designate \$192,000 of this mineral sale bond for site reclamation

-The Division formally recognizes this \$192,000 in consideration of the amount of surety required

-The BLM will not release the reclamation portion of the bond without written permission from the Division

-The BLM and the Division will be jointly listed on the bond held by the Division

-Escalation factors through 2002 are actual Means Historical Cost Indices

-Total disturbed area = 216 ACRES

CALCULATIONS $F = P(1 + i)^{**n}$	YR	ESCAL FACTOR	BOND AMOUNT
	1993	0.0261	\$0.00
	1994	0.0321	\$0.00
	1995	0.0193	\$0.00
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$1,006,413
i = Escalation Factor	1998	0.0502	\$1,056,935
n = number of periods	1999	0.0191	\$1,077,122
	2000	0.0244	\$1,126,982 ***
Three Yr Average = 2.82%	2001	0.0460	\$1,178,823
Used to Project 5 Yrs	2002	0.0282	\$1,212,066
From the Year 2002	2003	0.0282	\$1,246,246
	2004	0.0282	\$1,281,390
	2005	0.0282	\$1,317,526
	2006	0.0282	\$1,354,680
	2007	0.0282	\$1,392,882
Updated Surety Amount Rounded (2007-\$)			\$1,392,900

** Average cost per acre = 6449 (\$/ACRE)

Recognizing the \$192,000 reclamation bond presently being held by the BLM the amount of surety required for this site will be adjusted to:

\$1,200,900

*** The \$23,578 bond for the 5.8 acre amendment added into surety calculations at this point